

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL****FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

0 2 - 0 0 6

2. STATE:

MN

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

July 1, 2002

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

sections 1902(a)(10)(A) & (C); 1931

7. FEDERAL BUDGET IMPACT:

a. FFY '02 \$ 2,866,000

b. FFY '03 \$ 14,917,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

p. 5 of Supp. 8a to attach. 2.6-A

p. 1 & 2 of Supp. 8b to Attach. 2.6-A

p. 6, 7, 7a of Supp. 2 to Attach. 2.6-A

p. 1, 2, 3 of Supplement 13 to Att 2.6-A

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

p. 5 of Supp. 8a to Att 2.6-A

p. 1 & 2 of Supp 8b to Att 2.6-A

p. 6, 7, 7a of Supp 2 to Att 2.6-A

10. SUBJECT OF AMENDMENT:

Increase in income and resource levels for families and children.

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ OTHER, AS SPECIFIED:☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Mary B. Kennedy

14. TITLE:

Medicaid Director

15. DATE SUBMITTED:

May 8, 2002

16. RETURN TO:

Ann Berg

Minnesota Department of Human Services

444 Lafayette Road

St. Paul, MN 55155

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

5-14-02

18. DATE APPROVED:

5/14/02

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

July 1, 2002

20. SIGNATURE OF REGIONAL OFFICIAL:

Cheryl A. Harris

21. TYPED NAME:

Cheryl A. Harris

22. TITLE:

Associate Regional Administrator

Division of Medicaid and Children's Health

23. REMARKS:

RECEIVED

MAY 14 2002

DMCH - MINN/WI

| POLICY | HOW POLICY IS MORE LIBERAL | GROUPS TO WHICH POLICY IS APPLIED |
|---|--|--|
| <u>Income disregard for low income families.</u> <u>Disregard the difference between the §1931 income standard (Supplement 1 to Attachment 2.6-A, page 1) and 100 percent of the Federal poverty levels. Adjust annually on July 1.</u> | <u>AFDC applied a \$50 child support exclusion from income and a \$90 disregard of earned income to applicants and recipients; and applied a \$30 earned income disregard for 12 months to recipients. This single income disregard replaces all of the above methods.</u> | <u>Low-income families. §1931</u> |
| <u>Income disregard for mandatory and optional categorically needy groups related to AFDC, and medically needy families.</u> <u>Disregard the difference between the medically needy income standard (Supplement 1 to Attachment 2.6-A, page 7) and 100 percent of the Federal poverty levels. Adjust annually on July 1.</u> | <u>AFDC applied a \$50 child support exclusion and a \$90 disregard of earned income. This single income disregard replaces these two methods.</u> | <u>Qualified pregnant women, children and families. §§1902(a)(10)(A)(i)(III) and 1905(n). Optional categorically needy -families and children. §§ 1902(a)(10)(A)(ii), 1905(a)(i) and 1905(a)(ii). Medically needy -families and children. §§ 1902(a)(10)(C)(i)(III), 1905(a)(i) and 1905(a)(ii).</u> |
| <u>Earned income disregard for low income families and children.</u> <u>Disregard 17 percent of earned income for four months for applicants or recipients.</u> | <u>AFDC had no similar disregard for applicants. AFDC applied to recipients a disregard of 1/3 of earned income for four months. This disregard applies to applicants, and for recipients replaces the four months of a 1/3 disregard of earned income.</u> | <u>Low income families. §1931</u> |
| <u>Earned income disregard for mandatory and optional categorically needy groups related to AFDC, and medically needy families.</u> <u>Disregard 17 percent of earned income for four months for applicants or recipients.</u> | <u>AFDC had no similar disregard for applicants. This disregard will apply to applicants and recipients</u> | <u>Qualified pregnant women, children and families. §§1902(a)(10)(A)(i)(III) and 1905(n) Optional categorically needy -families and children. §§ 1902(a)(10)(A)(ii), 1905(a)(i) and 1905(a)(ii). Medically needy -families and children. §§ 1902(a)(10)(C)(i)(III), 1905(a)(i) and 1905(a)(ii).</u> |
| <u>Income Disregard for certain poverty level children.</u> <u>Disregard the difference between the income standard and income up to 170 percent of poverty. Adjust annually on July 1.</u> | <u>AFDC applied a \$50 child support exclusion from income and a \$90 disregard of earned income. This single income disregard replaces both these methods.</u> | <u>Children age one through five. §1902(a)(10)(A)(i)(VI) Children age six up to age 19, born after September 30, 1983. §1902(a)(10)(A)(i)(VII).</u> |
| <u>Earned income disregard for poverty level children age 1 - 5.</u> <u>Disregard 21 percent of earned income for four months for applicants or recipients.</u> | <u>AFDC had no similar disregard for applicants. This disregard applies to both applicants and recipients.</u> | <u>Children age one through five. §1902(a)(10)(A)(i)(VI)</u> |

TN No. 02-06

Supersedes

TN No. N/A

Approval Date SEP 12 1991

Effective Date 7/01/02

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State: MINNESOTA
MORE LIBERAL METHODS OF TREATING RESOURCES UNDER § 1902(r)(2) OF THE ACT
☒ § 1902(f) State ☐ Non-§ 1902(f) State

| POLICY | HOW POLICY IS MORE LIBERAL | GROUPS TO WHICH POLICY IS APPLIED |
|--|---|--|
| Auto exclusion. <u>Exclude one vehicle for each person that uses a vehicle for employment or for seeking employment.</u> | AFDC has an auto exclusion of \$1,500. | <u>Qualified pregnant women, children and families; §§1902(a)(10)(A)(i)(III) and 1905(n)</u> Optional categorically needy -families and children. §§ 1902(a)(10)(A)(ii), 1905(a)(i) and 1905(a)(ii). Medically needy -families and children. §§ 1902(a)(10)(C)(i)(III), 1905(a)(i) and 1905(a)(ii). |
| Additional property disregard for low income and qualified families. <u>Exclude \$14,000 in property not subject to other exclusions for one person, and exclude \$29,000 for two or more people.</u> | <u>AFDC applies a \$1,000 asset limit to families.</u> | <u>Qualified pregnant women, children and families; §§1902(a)(10)(A)(i)(III) and 1905(n)</u> <u>Optional categorically needy -families and children. §§ 1902(a)(10)(A)(ii), 1905(a)(i) and 1905(a)(ii).</u> |
| Child assets. <u>Exclude all assets established under the Uniform Gift to Minors Act, and the child-owned portion of an account held jointly by an adult and child.</u> | <u>AFDC has no similar property exclusion.</u> | <u>Qualified pregnant women, children and families. §§1902(a)(10)(A)(i)(III) and 1905(n)</u> <u>Optional categorically needy. §§ 1902(a)(10)(A)(ii), 1905(a)(i) and 1905(a)(ii).</u> <u>Medically needy -families and children. §§ 1902(a)(10)(C)(i)(III), 1905(a)(i) and 1905(a)(ii).</u> |
| Household goods and personal effects exclusion. <u>Exclude such items as pets, furniture, clothing, jewelry, appliances, and other tools and equipment used in the home.</u> | SSI excludes: 1 wedding ring and 1 engagement ring per individual regardless of value; prosthetic devices (wheelchairs, hospital beds, etc.) required by a person's physical condition; and \$2,000 in total equity for all other household goods and personal effects. | Qualified medicare beneficiaries. § 1902(a)(10)(E)(i). Qualified disabled working individuals. § 1902(a)(10)(E)(ii). Services limited medicare beneficiaries. § 1902(a)(10)(E)(iii). <u>Qualified individuals. § 1902(a)(10)(E)(iv).</u> Optional categorically needy -aged, blind, and disabled. § 1902(a)(10)(A)(ii). Medically needy -aged, blind, and disabled. § 1902(a)(10)(C)(i)(III). |
| Homestead exclusion. <u>Exclude the homestead of a person residing in a long term care facility if it is used as the residence of the person's:</u> •Sibling who lived in the home for at least 1 year immediately before the date of the client's admission to the long term care facility and who has an equity interest in the home; or •Adult child or grandchild who lived in the home for at least 2 years immediately before the date of the client's admission to the long term care facility and who provided verifiable care to the client to permit the client to live at home instead of the long term care facility. | SSI has no similar exclusion | Qualified medicare beneficiaries. § 1902(a)(10)(E)(i). Qualified disabled working individuals. § 1902(a)(10)(E)(ii). Services limited medicare beneficiaries. § 1902(a)(10)(E)(iii). <u>Qualified individuals. § 1902(a)(10)(E)(iv).</u> Optional categorically needy -aged, blind, and disabled. § 1902(a)(10)(A)(ii). Medically needy -aged, blind, and disabled. § 1902(a)(10)(C)(i)(III). |
| Additional Asset Exclusion: <u>For one child living with a disabled or elderly individual, exclude an additional \$3,000, and \$200 for each additional child; for each child living with a disabled or elderly couple, exclude an additional \$200.</u> | <u>SSI has no such exclusions.</u> | <u>Mandatory categorically needy aged, blind and disabled under §1902(f)</u> <u>Optional categorically needy -aged, blind, and disabled. § 1902(a)(10)(A)(ii).</u> <u>Medically needy -aged, blind, and disabled. § 1902(a)(10)(C)(i)(III).</u> |
| Resource Exclusion for Medically Needy Children. <u>Exclude all resources.</u> | <u>AFDC has no similar exclusion.</u> <u>SSI has no similar exclusion</u> | <u>Medically needy children.</u> <u>§§ 1902(a)(10)(C), 1905(a)(i)</u> |

TN No. 02-06
Supersedes
TN No. 00-14

Approval Date SEP 19 1991

Effective Date 0 7/01/02
HCFA ID: 7985E

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State: MINNESOTA
MORE LIBERAL METHODS OF TREATING RESOURCES
UNDER § 1902(r)(2) OF THE ACT

| POLICY | HOW POLICY IS MORE LIBERAL | GROUPS TO WHICH POLICY IS APPLIED |
|---|---|--|
| Spouse Asset Exclusion: Do not count or deem assets of the ineligible spouse to the disabled person. | SSI deems assets of the ineligible spouse to the disabled applicant or recipient. | TWWIA Basic Coverage Group. §1902(a)(10)(A)(ii)(XV). |
| Retirement/Medical Benefits Exclusion: Exclude the following assets of the employed disabled person: retirement accounts including individual accounts, 401(k) plans, 403(b) plans, Keogh plans, pension plans, and medical expense accounts through the employer. | SSI has no similar exclusions. | TWWIA Basic Coverage Group. §1902(a)(10)(A)(ii)(XV). |
| Dual-eligible Property Exclusion. Disregard \$8,000 in nonexcluded assets for an individual, and \$15,000 for a couple. | SSI allows \$2,000 in nonexcluded assets for an individual, and \$3,000 for a couple. | Qualified medicare beneficiaries. §1902(a)(10)(E)(i). Specified low-income medicare beneficiaries. §1902(a)(10)(E)(iii). Qualified Individuals. §1902(a)(10)(E)(iv). |
| Transition Disregard for Disabled Individuals Who Were Working. For individuals who become ineligible for the TWWIA Basic Coverage Group under §1902(a)(10)(A)(ii)(XV) due to loss of earnings, and who qualify for Medicaid under another category, continue to disregard for 12 consecutive months the assets allowed and excluded under the TWWIA Basic Coverage Group, §1902(a)(10)(A)(ii)(XV). | SSI has no similar disregard | Mandatory categorically needy aged, blind and disabled using more restrictive criteria under §1902(f) Optional categorically needy aged and disabled groups. §1902(a)(10)(A)(ii). Medically needy aged, blind, and disabled. §1902(a)(10)(C)(i)(III). Families under §1931 Medically needy -families and children. §§1902(a)(10)(C)(i)(III), 1905(a)(i) and 1905(a)(ii). Optional categorically needy disabled children under 18. §§1902(a)(10)(A)(ii)(X), 1902(e), 1902(m) 1905(a)(i). Medically needy disabled children under 18. §§1902(a)(10)(C), 1902(e), 1905(a)(i). Optional categorically needy children under age 21 who would be institutionalized but for HCB services; §§1902(a)(10)(A)(ii)(X), 1902(m), 1905(a)(i) and 1915(c) Medically needy disabled children under age 21 who would be institutionalized but for HCB services; §§1902(a)(10)(C), 1905(a)(i), 1915(c). |
| Retirement Assets. <u>Exclude IRA's, 402(k) plans, 403(b) plans, Keogh plans and other individually-owned pension and retirement funds.</u> | <u>AFDC has no similar property exclusion.</u> | <u>Low-income families. §1931.</u> <u>Optional categorically needy -families and children. §§1902(a)(10)(A)(ii), 1905(a)(i) and 1905(a)(ii).</u> <u>Medically needy -families and children. §§1902(a)(10)(C)(i)(III), 1905(a)(i) and 1905(a)(ii).</u> |
| Settlements. <u>Exclude court-ordered settlements up to \$10,000.</u> | <u>AFDC has no similar property exclusion.</u> | <u>Low-income families. §1931.</u> <u>Optional categorically needy -families and children. §§1902(a)(10)(A)(ii), 1905(a)(i) and 1905(a)(ii).</u> <u>Medically needy -families and children. §§1902(a)(10)(C)(i)(III), 1905(a)(i) and 1905(a)(ii).</u> |

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HCFA ID: 7985E

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: MINNESOTA

4. Aged and Disabled Individuals

 Same as SSI resources levels

 More restrictive than SSI resource levels and are as follows:

| <u>Family Size</u> | <u>Resource Level</u> |
|--------------------|-----------------------|
|--------------------|-----------------------|

| | |
|----------|---------------|
| <u>1</u> | <u> </u> |
|----------|---------------|

| | |
|----------|---------------|
| <u>2</u> | <u> </u> |
|----------|---------------|

X Same as aged, blind and disabled medically needy resource levels.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: MINNESOTA

RESOURCE LEVELS (continued)

B. MEDICALLY NEEDY

1. Applicable to aged, blind and disabled groups - /X/ Except those specified below.

| <u>Family Size</u> | <u>Resource Level</u> |
|--------------------|-----------------------|
| <u>1</u> | <u>\$3750</u> |
| <u>2</u> | <u>6450</u> |

Note: No resource test is applied to medically needy groups of children listed in Attachment 2.2-A. See Supplement 8b to Attachment 2.6-A

Attachment 2.6-A
Supplement 13
Page 1

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: MINNESOTA

ELIGIBILITY UNDER SECTION 1931 OF THE ACT

The State covers low-income families and children under section 1931 of the Act.

The following groups were included in the AFDC State Plan effective July 16, 1996:

- X Pregnant women with no other eligible children.
- X AFDC children age 18 who are full-time students in a secondary school or in the equivalent level of vocational or technical training.

 In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996 without modification.

X In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996, with the following modifications.

 The agency applies lower income standards which are no lower than the AFDC standards in effect on May 1, 1988, as follows:

 The agency applies higher income standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

Effective July 1, 2000, a one-time 3 percent increase is applied. The increased income levels for §1931 are specified on page 1 of Supplement 1 to Attachment 2.6-A.

X The agency applies higher resource standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows: The resource standard in effect in the July 16, 1996 AFDC State plan, subject to the more liberal methodologies specified in Supplement 8b to Attachment 2.6-A of the Medicaid State plan.

TN: 02-06

Superseded by:

Approval Date: SEP 10 2002Effective Date: 7/01/02TN: 00-13

Attachment 2.6-A
Supplement 13
Page 2

X The agency uses less restrictive income and/or resource methodologies than those in effect as of July 16, 1996, as follows:

1. For purposes of the gross income test, all income in excess of 185% will be disregarded.

5. A lump sum payment will be considered income in the month received and an asset thereafter.

The difference between the July 16, 1996 AFDC income standard and 100 percent of the current FPL, plus the cost of child (or incapacitated adult) care necessary for employment, plus the amount of any payments of court ordered child support, plus 17 percent of earned income for the first four months in which earnings are counted is disregarded; or the AFDC disregards in effect on July 16, 1996, whichever is to the family's advantage.

The agency disregards the difference between the 1931 income standard and 100 percent of the Federal poverty levels, adjusted annually on July 1st to reflect the levels previously published in the Federal Register for the year.

The agency disregards 17 percent of earned income for four months for applicants and recipients.

The agency excludes one vehicle for each person that uses a vehicle for employment or for seeking employment.

The agency excludes IRA's, 401(k) plans, 403(b) plans, Keogh plans and other individually-owned pension and retirement funds.

The agency excludes court-ordered settlements up to \$10,000

The agency excludes \$14,000 in property not subject to other exclusions for one person and \$29,000 not subject to other exclusions for two or more people.

The agency excludes all assets established under the Uniform Gift to Minors Act, and the child-owned portion of an account held jointly by an adult and child.

— The agency terminates medical assistance (except for certain pregnant women and children) for individuals who fail to meet TANF work requirements.

TN: 02-06

Supersedes s-by:

TN: 98-10

Approval Date: SEP 10 2002

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Page 3

X The agency continues to apply the following waivers of provisions of Part A of title IV in effect as of July 16, 1996, or submitted prior to August 22, 1996 and approved by the Secretary on or before July 1, 1997.

- ▶ Waiver of §§402(a)(41) and 407 of the Act, 45 CFR 233.100(a)(1) and (c)(1)(iii). A child will be considered deprived if family income is below the applicable income standard, regardless of the number of hours that the principal wage earner is employed.

[In the 7/16/96 AFDC State plan, the principal wage earner cannot be employed over 100 hours per month.]

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